

Example case – Income requirement of £200,000

To create a calculation with an income requirement of £200,000 you must begin with creating a case. To do this, click on the 'Cases' button as below:



Then select the plus icon to create a new case:

Enter the personal information of the client, name, DOB and sex. This calculates the client's state pension age and life expectancy using the default life expectancy table ONS14.

Save the personal details and create a 'Case Calculation' by selecting the green plus button.

Calculation parameters

Description
Calculation

Calculation type
Conventional

Capital sum

Calculation duration
Life

Specified duration
50
50 years

Preserve capital

£

%

Inflate preserved capital

Inflation, income yield and capital growth Inflation: 3%; capital growth: 3.75%; income yield year 1: 1.5%, year 2: 3% and year 3 onwards: 3%	▼
Income Tax and allowances Income tax excluded: no; Blind person's allowance included: no	▼
Capital Gains Tax Recycle with drawdown at recycle rate of 3%	▼
State pension New state pension: yes	▼

Within the calculation parameters add a description followed by the calculation type and the calculation duration

Review the optional fields at the bottom of the page and select to include a state pension if required.

Save your changes and click on the green plus icon to add an income requirement.

INCOME REQUIREMENTS
INCOME RECEIPTS
CAPITAL RECEIPTS
PENSION RECEIPTS

Income requirements

Description	Amount	Edit	Delete
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When adding the income requirement give it a description and add the £200,000. Select the period required and observe that this applies every 1 year.

It is now time to save your income requirement. Click on the 'calculate' button followed by 'detailed results'. Your report will then follow with a suggested capital sum.

Cases
Louisa Smith
Calculation
Calculation results

Suggested capital sum: £4,489,336.28

EXPORT TO EXCEL

	Year 1	Year 2	Year 3	Year 4	Year 5
Age	54	55	56	57	58
Year	2019	2020	2021	2022	2023
User entered data					
Income requirement	£200,000.00	£206,000.00	£212,180.00	£218,545.40	£225,101.76
Untaxed income	£0.00	£0.00	£0.00	£0.00	£0.00
Savings income	£0.00	£0.00	£0.00	£0.00	£0.00
Non-savings income	£0.00	£0.00	£0.00	£0.00	£0.00
Capital receipts	£0.00	£0.00	£0.00	£0.00	£0.00
Pension receipts	£0.00	£0.00	£0.00	£0.00	£0.00
Calculation detail					
Capital at start of year	£4,489,336.28	£4,510,930.42	£4,563,630.06	£4,613,324.81	£4,658,437.59
CGT due from previous year	£0.00	£0.00	£0.00	£1,232.44	£2,992.04
Capital after CGT/receipts	£4,489,336.28	£4,510,930.42	£4,563,630.06	£4,612,092.38	£4,655,445.55
Increase in capital	£168,350.11	£169,159.89	£171,136.13	£172,999.68	£174,691.41
Capital before drawdown	£4,657,686.39	£4,680,090.31	£4,734,766.18	£4,786,324.49	£4,833,129.00
Interest	£67,340.04	£135,327.91	£136,908.90	£138,399.74	£139,753.13
Total taxable income	£67,340.04	£135,327.91	£136,908.90	£138,399.74	£139,753.13
Income tax	£14,096.02	£45,788.17	£46,170.27	£46,508.81	£46,784.63
NI and associated costs	£0.00	£0.00	£0.00	£0.00	£0.00